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July 10, 2006

BY ECF AND HAND

The Honorable Charles P. Sifton  
United States District Judge  
United States Courthouse  
225 Cadman Plaza East  
Brooklyn, New York 11201

Re: Weiss et al. v. National Westminster Bank PLC, 05-CV-4622 (CPS) (KAM);  
Strauss et al. v. Crédit Lyonnais, S.A., 06-CV-702 (CPS) (KAM)

Dear Judge Sifton:

On behalf of defendants National Westminster Bank Plc ("NatWest") and Credit Lyonnais, S.A., I am writing to respond briefly to plaintiffs' letter of July 7, 2006 regarding Judge Glasser's decision in Stutts v. The De Dietrich Group, et al., 03-CV-4058 (ILG).

Plaintiffs go to great pains to distinguish Stutts on its facts from the instant cases, and of course the facts are different. What is not different is the legal analysis that should be applied to plaintiffs' claims, and the flaws in those claims that Stutts helps to expose.

First, Judge Glasser's decision in Stutts makes it clear that claims under Section 2333 of the Anti-Terrorism Act are subject to traditional requirements of proximate causation, and that a complaint should be dismissed where, as here, it does not satisfy these requirements. Plaintiffs here have conceded that they are unable to meet these requirements, and therefore contend that they are not required to do so. Stutts refutes this contention, by reiterating that proximate cause is indeed an element of any claim for civil liability under Section 2333. That requirement dooms plaintiffs' claims, since there is no proximate connection between NatWest's and Credit Lyonnais' provision of routine banking services to their customers – which were not

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HAMAS, but alleged “fronts” for it – and the injuries that plaintiffs sustained as a result of alleged HAMAS attacks.

Second, Stutts makes clear that conclusory allegations of scienter are insufficient to support a Section 2333 claim. The fact that in Stutts the conclusory allegations were of knowledge or negligence – that the defendants there “knew or reasonably should have known” of the connection between their issuance of letters of credit and the use of chemical weapons by the Saddam Hussein regime – while here the conclusory allegations are only of knowledge – that NatWest and Credit Lyonnais “knew” about the alleged connections between their customers and HAMAS – does not save the latter claims from dismissal. The point is that, in both cases, plaintiffs failed to plead facts supporting their conclusory assertions of scienter, as well as facts connecting the defendants’ actions to plaintiffs’ injuries.

For these reasons, and those set forth at length in NatWest’s and Credit Lyonnais’ previous briefs, the complaints in these cases should be dismissed.

Respectfully,

/s/ Jonathan I. Blackman

cc: All Counsel